

Message Text

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ORIGIN EB-07

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TO USMISSION OECD PARIS IMMEDIATE

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E.O. 11652: N/A

TAGS: ENRG, OECD

SUBJECT: IEA/SOM: QUESTIONS FOR EXXON AND SHELL CON-
SULTATIONS

REF: OECD PARIS 38045

1. FOLLOWING IS AN INDICATION OF AREAS US SUGGESTS BE
ADDRESSED IN UPCOMING SOM CONSULTATIONS WITH EXXON AND
SHELL:

A) CRUDE PRODUCTION AND CAPACITY:

--WHAT ARE CURRENT SAUDI AND UAE PRODUCTION RATES AND
CAPACITIES BY CRUDE TYPE AS WELL AS PROJECTED SIX
MONTH AND 12 MONTH CAPACITIES BY CRUDE TYPE?

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--WHAT ARE THE RELATIVE ROLES OF THE SAUDI GOVERNMENT AND
ARAMCO IN PRODUCTION DECISIONS?

B) CRUDE OIL DEMAND:

--WHAT ARE THE CURRENT CRUDE DEMAND FORECASTS FOR FIRST
AND SECOND QUARTER AND CALENDAR YEAR 1977?HOW, WOULD THIS

DEMAND TRANSLATE INTO A) CRUDE PRODUCTION BY COUNTRY IN OPEC, AND B) STOCK DRAWDOWN/INCREASE?

--WHAT ARE CURRENT STOCK LEVELS IN RELATION TO HISTORIC LEVELS? WHAT WILL BE THE LIKELY DRAWDOWN STRATEGY OF THE INTERNATIONAL OIL COMPANIES?

--AT WHAT LEVEL DO YOU FORECAST ANTICIPATORY BUYING IN SECOND QUARTER 1977?

C) IMPACT OF PRICE STRUCTURE:

--WHAT FLEXIBILITY DO REFINERS HAVE TO SWITCH FROM CURRENT CRUDE SOURCES TO NEW SAUDI/UAE PRODUCTION? DO THE CONSTRAINTS PRIMARILY DERIVE FROM CONTRACTUAL OBLIGATIONS AND RELATIONSHIPS WITH TRADITIONAL CRUDE SUPPLIERS OR FROM IMPEDIMENTS TO REFINERY AND PRODUCT SLATE CONVERSION?

--HOW WILL COST SAVINGS BE PASSED THROUGH FOR QUOTE FIVE PERCENT CRUDE END QUOTE?

--WHAT ARE THE LIKELY EFFECTS OF THE TWO-TIER PRICE SYSTEM ON CRUDE OIL EXCHANGES?

--WILL THE SAUDI/UAE GOVERNMENTS HAVE A ROLE IN DETERMINING THE DESTINATION OF QUOTE FIVE PERCENT CRUDE END QUOTE?

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Message Attributes

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